



June 17, 2022

Via public comment portal

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**Re: The Enhancement and Standardization of Climate-Related Disclosures for Investors
RIN 3235-AM87
File No. S7-10-22**

Dear Chair Gensler:

Thank you for the opportunity to comment on the Securities and Exchange Commission's proposed rule titled "The Enhancement and Standardization of Climate-Related Disclosures for Investors." JBG SMITH is a Real Estate Investment Trust (REIT) which has been including climate-related disclosures in the management discussion of their annual report since 2018. JBG SMITH achieved carbon neutral building operations in 2021. This achievement covers Scope 1 and Scope 2 carbon emissions associated with energy needed to operate buildings. As a carbon neutral company, JBG SMITH welcomes the standardization of climate-related disclosures. JBG SMITH would like to offer particular emphasis on areas that warrant further consideration specifically timing of inclusion of assured data into Annual Reports/10K, Scope 3 GHG disclosures, financial impacts of physical climate risks, and safe harbor considerations.

Assured Data in Annual Reports/10K

The reporting timeline should align with the availability of GHG emissions data and its assurance process which extends into Q2 annually. Alternative reporting provisions should be made available to all registrants, including REITs, due to availability of information that is outside of the businesses control.

Scope 3 GHG Disclosures

Access to Scope 3 data in many cases is protected by privacy laws. It is not within the power or control of JBG SMITH to gain access to data that is behind a privacy wall controlled by utility providers. As currently written, the materiality threshold for disclosure of Scope 3 GHG emissions, as described and proposed, would operate as a mandate for most REITs and should be reconsidered. REITs should only be required to report GHG emissions arising from operations they directly control. Furthermore, a REIT's Scope 3 emissions are Scope 2 emissions for tenants and therefore the responsibility of those organizations to report. The overlap in Scope 2 and Scope 3 will result in double counting of emissions.



Financial Impact Disclosures

The threshold for proposed financial impact metrics should be increased to 10%. Physical risk financial impacts should be limited to insured asset value or claim deductible amount only. Budgeted capital expenditures should include climate-related and transitional risk *accepted* by the organization only. Inclusion of potential business operations losses are speculative.

Safe Harbor Considerations

The SEC should coordinate with other Federal agencies and provide a safe harbor for GHG emissions calculated pursuant to Federal agency tools. A forward-looking statement safe harbor for climate-related disclosure should be adopted.

Thank you for your time and consideration.

Sincerely,

Kimberly Pexton
VP, Sustainability

CC: Steve Museles, CLO